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The Proposed Nordic Economic Union

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THE PROPOSED NORDIC ECONOMIC UNION

The Nordic countries—Denmark, Norway, Sweden, and Finland—are again attempting to achieve closer economic integration. The vehicle currently being employed to this end, the Nordic Economic Union or NORDEC, is the fruit of efforts sustained since April 1968 on both the technical and political levels. The concept of Nordic economic cooperation is widely popular within the area, but considerations of national sovereignty have blocked its realization in the past and may do so again. Nevertheless, the presentation of a draft treaty to the four governments concerned on 17 July moves the project one step closer to final approval.

PRECURSORS OF NORDIC ECONOMIC COOPERATION

Although an active movement to establish a Nordic economic union has existed for only little more than one year, the idea of Nordic cooperation in economic and related fields has roots stretching back into the 19th Century. Discussions of a customs union, a currency union, common weights and measures, increased instruction in the languages of the Nordic peoples, common legislation of various kinds, and cooperation among universities with mutual recognition of degrees were conducted in the late 1850s and early 1860s. By the mid-1860s a Scandinavian postal union was being formed, the first steps toward reciprocal application of legal judgments were taken, and mutual ties between organizations working in related economic fields were established. As socialism spread into the Scandinavian countries, additional ties were forged between the various trade unions and cooperative movements that grew up at the end of the 19th Century.

The first specific success in the field of Nordic economic cooperation was the currency union, established by Denmark and Sweden in 1873 and joined by Norway two years later. Originally the union was concerned only with coinage,

though it was later extended to include bank notes and letters of credit issued by the central banks. The monetary union broke down during World War I when the Nordic countries abandoned the gold standard and the central banks were no longer able to maintain parity between the currencies of the three countries.

Subsequent developments with impact on the Nordic economy included the drafting of common Nordic legislation in such areas as commercial, patent, and maritime law, and air transport, income, and bankruptcy regulations. To discuss, coordinate, and promote steps toward greater Nordic union the Northern Interparliamentary Union was founded in 1907. This organization expanded the institutional framework for its activity with the formation of a Nordic Council in 1952.

The economic disruption created by World War I and the faith of the Nordic countries in the efficacy of the League of Nations brought the movement toward economic cooperation to a halt. Subsequent demonstrations that such international bodies could not cope effectively with the problems of economic integration, however, convinced the Scandinavians that the Nordic idea still had some merit.

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SECRET

In the spring of 1948 a joint committee for economic cooperation was set up by the Nordic governments to examine the feasibility of a common Scandinavian tariff as a basis for continued efforts toward a Scandinavian customs union. The committee reported in 1950 that a customs union would be beneficial to the economies of all the countries concerned. Norway pointed out, however, that as long as its economy was burdened with postwar reconstruction, it could not accept such an arrangement.

Another thorny problem concerned the incompatibility of the Nordic countries' agricultural policies, which underlay the decision in the early 1950s that individual tariff reductions in industrial products would be the goal rather than a comprehensive customs union. Once again Norway objected, fearing that its industries would be unable to compete with the more advanced Swedish and Danish enterprises. In addition, the Norwegians were certain that any pan-Nordic tariffs would open their markets to invasion by cheaper non-Nordic goods as well. This time, however, the Norwegians did not reject economic union out of hand, but suggested that cooperation be initiated in newly developing industries rather than in established ones, and also in the production of electric power and industrial research.

The Danes and Swedes redesigned their proposals for economic union to meet Norwegian demands, but even so the nonsocialist Norwegian political parties remained doubtful. The essence of the new proposals was that a Nordic common market could be implemented in various ways and at varying paces for individual sectors of industry and for each of the participating countries. In addition, the respective governments were urged to start negotiations on substantive issues to raise the level of productivity and the standard of living of their countries, such as in the production and transmission of electricity, and also in tech-

nological, agricultural, and other research work. On this basis a new round of consultations on both the technical and political levels was set in train.

The committees set up for these consultations not only identified those branches of industry that were already operating with little or no tariff protection but also those that could operate effectively without tariffs or through cooperation agreements. In addition, industrial subsidies, wage and interest levels, pricing policies, taxation, and regulations governing depreciation and investment were studied, and a uniform tariff nomenclature based on the recommended international standard (Brussels) nomenclature was drawn up. The results of these studies were presented to the Nordic Council in 1956. The ensuing discussion revealed that the Norwegian nonsocialist parties continued to resist Nordic economic integration for many of their earlier stated reasons, while the Danes and Swedes replayed their arguments in favor of the idea. A new wrinkle was added, however, by Finland's first participation in the debate and the Finns' desire to take part in any Nordic common market. As a result, the Council remanded the committees' studies for further refinement and for expansion to include Finnish participation, and set a 1957 deadline for completion.

By the time when the committees presented their revised report, the decision to create a common market between France, Italy, West Germany, and the Benelux countries (the Six) caused Nordic economic cooperation to be viewed in a new light. The prevailing opinion in the Scandinavian countries was that if the United Kingdom joined the new common market, Norway, Denmark, and Sweden would follow suit. Failing this, hopes were pinned on the possibility of arranging a free trade area between the Six and other countries in Western Europe. To accommodate the

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SECRET

Finns, studies on a Nordic customs union within the framework of a European free trade area were initiated, even though the nonsocialist Norwegian political parties viewed such an alternative as harmful to Norway's external freedom of action. This view, combined with Denmark's anxiety about being cut off from its traditional market on the Continent, effectively spiked the plans for greater Nordic economic integration. Oblivious to external events, the Nordic Economic Cooperation Committee issued its final report in late 1957 in five volumes, but no action was taken on it.

THE NORDIC COUNTRIES AND EUROPE

The Scandinavian countries worked diligently in 1957-1958 toward the creation of a broad European free trade area including the Six, but repeated delays in achieving anything in this direction revived their interest in a Nordic economic union. New proposals were advanced for a rapid and all-inclusive Nordic common market, but the disarray within the various governments caused by the creation of the European Economic Community (EEC) prevented any meaningful discussion, and so the matter was postponed several times pending the results of negotiations for a European free trade area.

Failure to come to terms by early 1959 between the Six and a group of nations dubbed the Seven—Austria, Switzerland, Portugal, and the United Kingdom in addition to Denmark, Norway, and Sweden—led to the formation by the latter of a separate European Free Trade Association (EFTA). Despite Finland's eagerness to retain the idea of a Nordic customs union, the scheme was shelved during 1959 as unnecessary within EFTA. Initially left out in the cold, the Finns became associated with EFTA in 1961.

Much to everyone's surprise, the EFTA experience demonstrated that the Scandinavian

economies could withstand the impact of mutual competition and indeed were to a certain extent complementary. The Scandinavians from the outset refused to consider EFTA as anything but an interim arrangement until accommodation with the EEC could be worked out. When the United Kingdom decided to seek membership in the EEC in 1961, Denmark and Norway followed suit, while Sweden limited itself to seeking a form of association in line with its traditional policy of neutrality. When Britain's application was vetoed in early 1963, however, the Scandinavian governments decided not to press their applications further.

During the years immediately following the breakdown of British talks with the EEC, the Scandinavian governments realized that EFTA had entered a period of drift, and that relations between it and the EEC would be frozen for some time to come. During this period the British, forced to take a series of measures to shore up their own economy, demonstrated quite clearly that the Scandinavians would have to rely on their own efforts to a greater extent than earlier when dealing with the larger trading blocs in the world economy.

Early in 1966 the old proposals for a Nordic economic union were dusted off. In part, the governments had been encouraged by the success of piecemeal measures adopted in the postwar decades while the struggles over a comprehensive economic union were taking place. These measures included the establishment of a common Nordic labor market, reciprocity in health and welfare programs, elimination of passport requirements within the Nordic area, standardization of statistics, joint Nordic research projects and institutions, and continuing standardization in the field of civil and commercial law. But the Nordic governments were impressed to an even greater degree by the effectiveness of the four countries'

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acting as a trade bloc during the Kennedy Round tariff negotiations in the mid-1960s, ending in 1967. Just as the old proposals were revived, however, so were many of the old objections to them. Chief among these was the possibility that any such Nordic economic union would act as a bar to eventual Nordic accession to an enlarged European Economic Community. Thus, to test the wind, the Scandinavian governments revived their applications for membership or association in the EEC following the British example. After a second veto of the British application, the Nordic countries sat down to serious work on Nordic economic union, or as it has come to be called, NORDEC.

THE COMPONENTS OF NORDEC

In April 1968 a committee of senior civil servants and technical experts was named to study the many aspects of creating such a union, and during the following year a draft document was agreed on embodying the committee's efforts. At every step of the way the Nordic governments insisted that this was no new departure and was not contrary to Nordic tradition or international agreements such as GATT and EFTA, but that instead it was directed toward overcoming the division in the European economy.

The committee preliminary report of January 1969, which subsequently became the basis for the draft treaty presented to the four governments on 17 July, was presented under 12 headings. It recommended a common economic policy along pragmatic lines with the aim of promoting integration and the efficient use of all the resources of the Nordic area. This objective would require intensified exchanges of economic information, consultation on fiscal policies, and at a later date the harmonization of different instruments of financial policy. Extended cooperation in the field of monetary policies would be necessary as capital movements were liberalized and

Objectives of Nordic Economic Union

- A common economic policy to include the gradual liberalization of capital movements and eventually the coordination of budgetary, tax, monetary, foreign exchange, and labor market policies;
- A common trade policy to include a common external tariff (barriers to internal trade of industrial products had already been virtually erased through the European Free Trade Association-EFTA);
- A common agricultural policy to include the gradual elimination of barriers to trade, pegging of prices for intra-Nordic trade, protection against dumping or subsidized third country exports, and cooperation in exports to third countries, particularly in pricing policies;
- A common fisheries policy to include elimination of barriers to trade and cooperation in exports to third countries;
- A common development fund drawn from contributions by the governments and from borrowing to assist industries to adapt to economic union and to foster joint projects, including industrial rationalization, regional development, technical and industrial development, infrastructure development, and energy development;
- Common industrial, energy, natural resource, and technical research and development policies;
- A common competition policy calculated to eliminate discrimination against business firms of the participating countries, including rules on government purchasing policies;
- The coordination of laws concerning industry;
- Cooperation in education and research policies;
- The coordination of foreign development aid policies.

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SECRET

regional policies carried out on a cooperative basis. Access to funds from a Nordic financing institute would also be necessary in case of adjustment difficulties.

The committee reported that, in order to develop a common capital market, a Nordic investment bank authorized to issue bonds in all Nordic currencies would need to be established. No obstacles to liberalizing direct investments and commercial credits were foreseen, but the committee suggested that restrictions governing portfolio investment be applied in a liberal spirit in order to stimulate economic integration.

Cooperation between the Nordic countries in trade policy—important in relation to the European Economic Community, within EFTA, and with regard to protectionist tendencies in other parts of the world—would be promoted by the creation of a customs union, according to the committee. Such a union, however, would not be effective until trade policies were harmonized. The members would have to agree on common basic principles for bilateral trade policy as well as common measures against dumping. Negotiations with third countries on these problems would be carried out jointly.

The committee report also advised the Nordic governments that a common Nordic tariff should be established to help develop a competitive and differentiated Nordic industry that could assert itself in an integrated Europe and on the world market. In arriving at a common external tariff the committee managed to agree on more than 90 per cent of items in the tariff and left the balance for further bargaining. The chief categories left unresolved were chemicals, plastics, and iron and steel.

The only practical way of increasing intra-Nordic trade in agricultural products would be

short-run preferential arrangements. The transition of the four nations' agriculture to a common Nordic market and a Nordic agricultural policy would have to be spread out over a long series of stages. A joint financing institute would have to be set up to ease the transition, but the details and pace could not be resolved and so were left for subsequent negotiations.

Another problem only partly resolved concerned proposals for a common fisheries policy. Considerable compromise would be necessary to arrive at a common policy for stabilizing prices for producers, managed through a jointly financed fisheries fund. Once again, details were left for subsequent negotiations.

The committee decided that a Nordic financing institute, including an investment bank, a general fund, an agricultural fund, and a fisheries fund, would have to be set up to help promote the goal of Nordic cooperation. Sweden would contribute approximately 45 per cent of the funds, with the balance divided between the other three countries. The ultimate size of the funds was left to further negotiation.

A common industrial policy was viewed as necessary to promote the development of technically advanced industries such as environment protection, public health, marine research, space research, nuclear energy, and automation. More specifically, the report suggested negotiations looking to cooperation in the field of nuclear energy and the establishment of a Nordic nuclear consortium. Far-reaching and continuing structural changes would be needed and technical research and development intensified if Nordic industry were to maintain its position.

The necessity of establishing uniform competitive conditions for Nordic industry and commerce was noted by the committee. Included

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SECRET

would be the enactment of rules granting persons from one member country the right to establish and render services in the others on the same conditions that apply to local citizens.

Further harmonization of legislation to promote the development of industry and commerce and the completion of studies aimed at establishing a uniform company law was listed as necessary. The system of Nordic patents would need to be put into force soon and special attention paid to legislation on bankruptcy, patents, and unfair competition.

Although close cooperation already exists in the fields of education and research, further steps were suggested in the areas of teacher training, educational research, adult education, and the use of radio and TV for education.

In the area of development assistance, cooperation also would have to be strengthened. More detailed proposals were deferred until after the Nordic countries had gained further experience in bilateral credits to the developing countries.

THE VEDBAEK NEGOTIATIONS

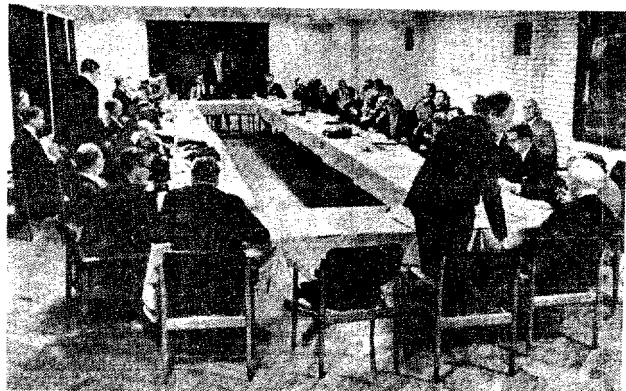
The Nordic prime ministers on the eve of the annual meeting of the Nordic Council in March 1969 accepted the committee's report and charged the civil servants to devise a draft treaty incorporating the committee's conclusions. After frequent subcommittee meetings throughout the spring in each of the Nordic capitals in turn, the full committee of 60 gathered in Vedbaek, a seaside resort just outside Copenhagen, during 7-16 July to hammer out the draft.

The committee, under considerable public and official pressure, agreed to the common policies outlined by the January report covering economic guidelines, capital movements, trade and shipping, industry and power, competition, legis-

lation, education and research, and development aid. In addition the committee included a section on common labor and social policies which already exist under Nordic auspices. Kicked upstairs for resolution by the political leaders of the four countries were the sensitive questions of a customs union, the financing of NORDEC, and common agricultural and fisheries policies.

The latter two questions were resolved in principle, but the civil servants were reluctant to make specific recommendations without mandates to do so from their respective governments. As for the customs union, Norway, Denmark, and Finland sought transitional arrangements and tariff suspensions on certain raw materials, such as iron and steel, but Sweden insisted that full agreement on a customs union be reached. Without such agreement Sweden would withhold agreeing to making its contribution of \$195 million over the next five years to the proposed common funds. Denmark was scheduled to pay in \$102 million, Norway \$68 million, and Finland \$60 million, for a total capital of \$425 million. At this point negotiations stalled.

Norway, anxious not to be labeled as the party responsible for stymieing NORDEC, rushed in an impossible compromise package. The



NORDEC Negotiations at Vedbaek

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proposal, which included a customs union by January 1972 for the Swedes and agricultural concessions for the Danes, was "sheer tactics" which succeeded beyond the Norwegians' belief. The Swedes unexpectedly rejected the compromise, thus assuming the onus for clipping NORDEC's wings. This is paradoxical, as Sweden has been NORDEC's warmest advocate, while Denmark, another NORDEC enthusiast, had until then been the party throwing the most obstacles into the last stages of the negotiations. Still the committee appended each country's suggestions for resolving these questions to the treaty draft and assumed that they could indeed be negotiated at the next higher level.

Aside from the economic issues, the committee settled certain administrative and legal questions. NORDEC will be open to accession by Iceland. Within the Nordic area, the treaty will not apply to Norway's Svalbard province. Furthermore, Denmark has the right when ratifying the agreement to exclude both the Faeroe Islands and the province of Greenland from its provisions, as does Finland in respect to its Aland Islands.

The committee also agreed on a set of institutions to run NORDEC. A ministerial council consisting of one delegate from each country would be established, with decisions to be made unanimously. A permanent committee of high officials at the ambassadorial level would act directly under the ministerial council, and be empowered both to study proposals sent up to the ministerial council and to decide on those of lesser importance. Special cooperation committees would function under the permanent committee, studying the problems in existing areas of cooperation and proposals for further integration. A secretariat independent of national ties also would be established, administered by a panel of four representing each of the countries con-

cerned, and authorized to take its own initiatives for submitting proposals to the ministerial council. The post of secretary general would be rotated annually among members of the secretariat's administrative panel. Where these bodies will be located and how they will be related to the Nordic Council has not been spelled out.

The treaty is scheduled to run for ten years from its planned effective date of January 1971. Parties to the agreement wishing to begin negotiations for entry into the European Communities (EC) must give the ministerial council and the other member governments a year's notice. During that time the NORDEC treaty would be renegotiated to remove any conflicts between memberships in the two organizations.

No one foresees a smooth path from draft to final version. In late September the Nordic Council's economic cooperation committee will meet in Stockholm to hammer out the differences left unresolved. A month later they will meet with the presidium of the Nordic Council and the Nordic prime ministers to discuss this draft. The treaty will have its next review in early February 1970 when the committee prepares it for consideration by the Nordic Council at its March 1970 meeting in Reykjavik. All of 1970 will be devoted to extensive public and parliamentary discussions of the revised draft, and the treaty will have to be approved by all four parliaments next year if it is to come into effect on its target date of January 1971. One more year will then pass in setting up the organizational framework before the treaty actually begins to operate. The year 1972 is also the date recommended by the committee of experts for resolving the customs union, agriculture, and fishery issues, to which the Swedes have tied the funding issue. At any step along the way internal differences or a breakup in the log jam at the EC could scuttle the whole project.

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NORDIC REACTION TO NORDEC

Reaction to the idea of Nordic economic union has varied from country to country and from month to month. For the most part, however, the idea of NORDEC is widely popular, and the governments of the four countries have staked considerable prestige on their ability to bring something into being in the near future.

The most solid support for NORDEC is found in Sweden. The ruling Social Democrats have traditionally favored closer cooperation among the Nordic countries in all fields. Prime Minister Tage Erlander, retiring from party and public offices in the fall, has been particularly anxious to crown his career with a concrete achievement in this area. Aside from reasons of sentiment the Swedes favor NORDEC as a means for expanding their booming economy beyond the limits of their present domestic market and also as a means to tie Sweden more closely to Denmark and Norway when the latter two countries approach the European Communities on membership. Sweden's relatively few reservations originate in the agricultural sector. This area, however, has little influence on the Swedish Government, which is deliberately scaling down the structure of agricultural subsidies and other production inducements and encouraging the movement of the work force away from agriculture and into industry.

The Finn's support for NORDEC is more mixed. A nation in transition from an agricultural to an industrial economy, Finland is torn between protecting its politically powerful but economically vulnerable agricultural sector and promoting the growth of the rapidly flourishing industrial sector. Within the coalition government each of the three major parties has taken a different stand. The Social Democratic Party follows its Swedish counterpart in promoting Nordic cooperation and at the same time hopes for greater

Nordic investment in Finnish industry, where the employees are the backbone of the party. The agrarian-oriented Center Party fears that Nordic integration would lead to Swedish-style scaling down of the agricultural sector, thereby undercutting its political base. The Communist Party fears Nordic integration will serve to reduce Finnish dependence on the Soviet market and, less directly, act as a stalking horse for Finnish association, if not entry, into the European Communities. The Finnish position is complicated by the nation's relationship with the Soviet Union, and the Finns have explained to the Soviets at great length that every effort would be made to protect Soviet economic interests. Despite the thoroughness of these explanations, the Soviets are not wholly convinced of the Finn's argument that NORDEC will be a strictly economic arrangement devoid of foreign and defense policy implications.

The Danes' attitude to NORDEC has perhaps undergone the sharpest change. It was partly at their initiative that the issue was revived in 1966, and from 1968 to mid-1969 the Danes stood for the highest degree possible of integration between the four countries.

Danish agricultural and industrial interests have regularly repeated their reservations that NORDEC might cut Denmark off from the continent, alienate traditionally good markets in the United Kingdom and the United States, and in general raise costs to the point where Danish products would be at a disadvantage on the world market. With the end of the De Gaulle regime in France, even the government began to waver. Prime Minister Baunsgaard continues to insist that his fidelity to the Nordic idea is unshaken, but his economics minister has stated flatly that if Denmark must choose between NORDEC and the European Economic Community, it would prefer the latter. This in part reflects the differing voices of the constituencies of the several parties in the

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nonsocialist government coalition, and confusion over the government's market policies has resulted in the NORDEC idea becoming a political weapon wielded principally by the opposition Social Democrats.

As in every previous effort toward Nordic integration, the Norwegians have been the least enthusiastic. The opposition Labor Party has tried to make political capital out of the reluctance of some of the nonsocialist parties in the government to buy the idea of NORDEC, but it has to compete with Prime Minister Borten of the agrarian Center Party, who has decided that he too would pick up the banner of economic integration. Norway's shipping and fishing interests are loath to turn away from their traditional Atlantic orientation. Norwegian industrialists, despite rapid growth resulting from the expansion of their markets through EFTA and notable export successes in highly developed areas, still fear that Swedish industry and capital will invade Norway under the cloak of NORDEC and swallow them up. Norwegian agricultural interests, like their Finnish and Swedish counterparts, fear that the Danes will take over their country's market, forcing uncompetitive Norwegian producers to the wall. These arguments are repeated by the various parties representing the separate economic interests, and indeed even Borten justifies his support of NORDEC on the grounds that the deal for Norwegian agriculture, bad as it is, is better than it could get otherwise.

The Norwegians, aware of their record for discouraging initiatives for greater Nordic economic union, have for the most part leaned over backward to appear positive toward NORDEC. They have been quick to focus on vacillations by the Finns, or cooling by the Danes, and even second thoughts by the Swedes in an effort to assure the Norwegian public of Norway's positive attitude. Yet it is in Norway that most of the

reservations about NORDEC originate—that it is the stalking horse of the Soviets to draw Norway and Denmark out of NATO, that it is a vehicle for propagating Swedish-style neutralism, that it would hopelessly cut the northern countries off from the prospect of any larger scheme of European unification.

OUTLOOK

Against this background there are certain political realities to be considered. The Nordic countries have consistently refused to take steps toward unity without making sure that they would be accepted unanimously. Thus, whatever results from the draft treaty delivered on 17 July will without doubt be the lowest common denominator that can still be dignified with the name of economic cooperation. The Danes and Norwegians have riddled the proposed structure with every sort of escape hatch to ensure that NORDEC would not stand in the way of their entry into the EC. In Sweden, Prime Minister Erlander is leaving office in September with only the hope that something concrete for Nordic economic cooperation will eventually be accomplished. His successor to party and public office, Olof Palme, is indifferent to Nordic sentiment, and there is no doubt that many new opportunities will develop for Swedish second thoughts about the NORDEC idea. Not only will Palme's hold on power be tentative, but it will be during this interregnum that NORDEC would be passing through the governmental and parliamentary mill preparatory to its enactment.

In Finland, political debate is muted as the Communist Party, one of the major segments of the political spectrum, copes in fits and starts with party factionalism and infighting. Until this dispute is resolved, none of the other parties will express itself too forthrightly on so controversial an issue as NORDEC. Indeed, the other parties have turned away from the issue for the moment

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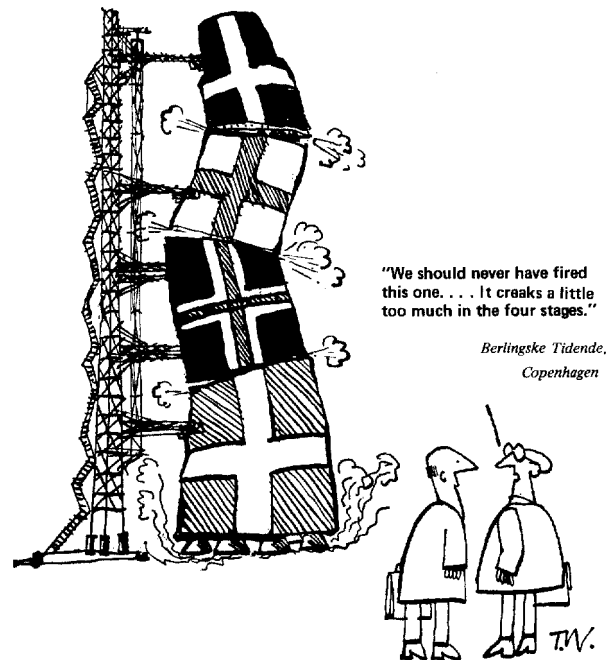
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to bring their own troops in line for the parliamentary elections in March 1970, a contest which could be the greatest watershed in Finnish politics since the reappearance of the Communists in 1944-1945.

Political preparations for the parliamentary election in Norway to be held this September have similarly diverted attention there from NORDEC. The Labor Party is eager to embarrass the government on the issue but, despite occasional lapses and some irritation with Borten's performance, the coalition parties have managed to keep their differences in proportion.

Only in Denmark is the political scene stable for the year during which NORDEC comes up for governmental action. Yet even here support for Prime Minister Baunsgaard's government has slipped in the wake of this spring's monetary crisis and subsequent unpopular fiscal and monetary measures. Thus, the narrow majority held by the coalition could conceivably evaporate and elections be called before parliament completes its term in 1972.

Developments outside the Nordic countries also could bury or boom the Nordic economic union project. Swift action on the British application to the EC could halt NORDEC in its tracks, and even signs of movement in the EC could slow NORDEC's realization. The Nordic countries are certain, however, that nothing dramatic will take place in the near future, at least until the French Government under Pompidou and the German Government resulting from the elections in September 1969 get on their feet. Another big question mark is the Soviet attitude. The USSR could so restrict Finland's freedom of action in participating in NORDEC that the whole project could falter, founded as it is on the requirement that all decisions be unanimous.



Barring a sudden development in the East or West, the prospects for a scaled-down NORDEC coming into effect would seem to be good. In response to the fears of its opponents, its advocates point out that NORDEC could serve as a useful bargaining device to be absorbed in the long run by some larger European union. However, if its aims are to continue as a smaller grouping, then it will have to be much more integrated than present plans seem to call for. Nordic statesmen skeptical of any early entry into the EC have already begun to call for new negotiations leading to an even more comprehensive NORDEC. Thus, even though the NORDEC treaty as drawn up at Vedbaek is less than any of its proponents had hoped for, it can still be considered as significant progress in the Nordic countries' glacial movement toward union.

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